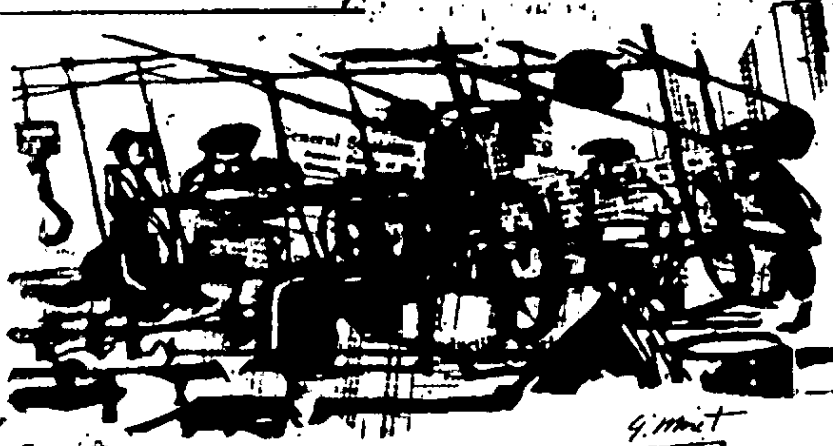


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A REPORTER ESSAY



THE FUTURE IN AMERICA:

I. The Price of Growth

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THE SPECTACULAR growth of American production has been with us so long that we tend to take it for granted. But when we compare the overall totals of thirty years ago and today, it is not merely the quantitative change that is of importance. The drive into abundance is a historic force which, if fully realized, looks for to change the very nature of social organization as radically, and as very likely as disconcertingly, as the equally revolutionary ascent from the static agricultural world to that of the industrial process.

There is no doubt that an environment of great abundance would represent the achievement of an age-old dream of mankind. As our society is presently constituted, it is also a prospect that raises as many questions and that poses as many difficulties for our future as did the immense prospects of the seventeenth century centuries for the so-called dream in which those dreams also became realities.

The Prevalence of Optimism

The grand vista of a Society of abundance, the nearer prospect of a society of upper middle class status—these projections are only idle speculations unless we can provide some assurance that the momentum of the economic growth will continue undiminished into

the future. Is this assurance justified? What are the prospects for the continuing growth of the American economic system?

Nothing is more astonishing than to contrast the general outlook on this question today with that of only twenty years ago. Then the central concern of some of the most influential economists was whether capitalism had not already come to the end of its historic era of rapid expansion, and was not perforce turning to a new stage of "mature"—i.e., static or more slowly expanding—existence.

Today an extraordinary change of mind marks economic thought. The idea of stagnation is one that rarely if ever makes its appearance in the technical journals; the fear of a prospective exhaustion of the capitalist dynamic is confined to a fringe of dissenting opinion. There is no better indication of the general line of thought about the prospects for growth than the results of a symposium conducted by the Committee for Economic Development, a highly regarded business research organization.

In 1957 the C.E.D. asked fifty economic authorities, not all of whom were American, what each considered "the most important economic problem to be faced by the United States in the next twenty

years." The answers covered a wide variety of topics, from international relations to urban decay. Many papers concerned themselves with the inflationary consequences of growth, and a lesser number with the uses or misuses to which growth might be put. But not a single paper raised as its central problem the possible failure of the economy to grow.

This is certainly a reassuring change of views. But it is also a sufficiently important one to warrant asking on what the prevalence of optimism is founded.

In part it clearly rests on a reawakened awareness of the process of growth itself. The spectacle of the newer nations of the world caught up in the problems and frustrations of initial development has aroused in us a belated appreciation both of the momentum of our own history and of capitalism as a growth-producing system. Thus when the C.E.D. itself surveys the course of American economic history, it concludes that growth has proceeded essentially out of the kind of society we were, and that therefore, "unless the society changes in some radical fashion, the trend of growth can reasonably be expected to go on. For the main forces responsible for the past growth are still operating."

BUT IT IS not only a resuscitated faith in the past that is responsible for today's optimistic consensus. There is also a vast sense of reassurance stemming from the extraordinary performance of the American economy since the Second World War. Gloomy forecasts to the contrary, the economy did not collapse with the end of war, but instead displayed one of the most remarkable surges of expansion we have ever witnessed. This has led economists to search for the factors which had somehow been "overlooked," and which could be expected to provide an expansionary impetus for the future.

These have not been difficult to find. One is the huge increase in the systematic search for new products and processes by which growth is constantly restimulated. Over the last ten years alone, expenditures on organized research and development have grown from \$2.6 to \$13 billion, and the trend is still sharply upward. A second obvious factor is the rise in